
It is the policy of Huntington Ingalls Industries to maintain the highest standards of honesty, integrity and trust in all aspects of its business and to meet all of its responsibilities to its customers, employees, shareholders, and to the nation. Consistent with this policy, Huntington Ingalls Industries supports unequivocally the elimination of human trafficking and slavery.

Huntington Ingalls Industries’ primary business is the design, construction, repair and maintenance of nuclear-powered ships, such as aircraft carriers and submarines, and non-nuclear ships, such as surface combatants, expeditionary warfare/amphibious assault and coastal defense surface ships, as well as the overhauls and refueling of nuclear-powered ships. In 2014, nearly all of our revenues were generated by subsidiaries performing contracts for the U.S. Government.

Subsidiaries of Huntington Ingalls Industries and its suppliers that perform U.S. Government contracts must comply with 48 CFR § 52.222-50, “Combating Trafficking in Persons.” 48 CFR § 52.222-50 implements the U.S. Government’s “zero tolerance policy on human trafficking” by prohibiting prime contractors and their subcontractors at any tier from utilizing “forced labor” or engaging in “severe forms of trafficking in persons” during the performance of our contracts and the subcontracts awarded thereunder.

Huntington Ingalls Industries is required to and does include 48 CFR § 52.222-50 in all subcontracts placed in support of our Government business. Violations of 48 CFR § 52.222-50 can result in substantial financial and other penalties to include contract and subcontract termination and debarment from U.S. Government work.

Huntington Ingalls Industries is also committed to complying with the U.K. Modern Slavery Act of 2015. Amongst other things, the U.K. Modern Slavery Act requires companies to publicly disclose the steps they have taken in the past financial year to ensure that modern-day slavery and human trafficking are not taking place within their own business or within any part of their supply chain.

Huntington Ingalls Industries takes several steps to ensure that we meet these ethical and legal obligations. First, we maintain a corporate procedure based on 48 CFR § 52.222-50 that seeks to educate our employees and ensure that they do not engage in human trafficking and forced labor practices. Any Huntington Ingalls Industries employee who violates this procedure is subject to discipline, up to and including termination.

Second, direct suppliers of Huntington Ingalls Industries are also required not only to comply with applicable laws and regulations in providing us goods and services, but also to adhere to HII’s values and standards of business conduct. We provide these values and standards to our suppliers in a “Business Associates Brochure,” which is available on our website. Huntington Ingalls Industries does not, however, view human trafficking and slavery solely as a legal issue. Instead, we see it as a broader ethical obligation for everyone who represents Huntington Ingalls Industries, whether it be one of our employees or a supplier. Suppliers who fail to adhere to our standards are subject to termination. Huntington Ingalls Industries suppliers and employees have access to a toll free open-line that enables them to raise questions and concerns and report violations of laws, regulations and our standards of conduct.

Third, Huntington Ingalls Industries believes that the highly regulated nature of our Government business minimizes the risk of human trafficking and slavery within our direct supplier base. In keeping with our commitment to ethics, integrity and corporate governance, Huntington Ingalls Industries maintains broad-based supply chain programs, practices and procedures. Our goal is to ensure that our suppliers meet our strong ethical standards and comply with applicable laws and regulations and our contractual commitments to the U.S. Government, which include those governing human trafficking and forced labor. Our supply chain processes often involve inspections at our direct supplier’s facilities by either our supplier quality organizations or the U.S. Government.

Huntington Ingalls Industries is also in the process of evaluating the development of training for employees to ensure that they are aware of the Company’s policies regarding human trafficking and slavery and the various safeguards that Huntington Ingalls Industries has implemented in order to prevent these activities.
Finally, in addition to the items described above – many of which are focused specifically on human trafficking and forced labor – Huntington Ingalls Industries maintains a robust, broad-based ethics and compliance program that stresses values, leadership, training, audits, inspections, certifications and accountability. This broad-based program is intended to ensure that Huntington Ingalls Industries complies with all applicable laws and maintains a culture committed to ethics and integrity.